**Lesson 3.03 Assessment**

**Fees and Pricing (Researching and Setting) Virtual Business**

1. Select 5 of the “need to know terms” we covered in this lesson and provide a definition, in your own words, and a graphical representation of the term. (sample provided) Answers will vary, and if students use graphics from the internet, you will want them to cite the source.

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| **Term** | **Definition** | **Graphical Representation** |  |
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| In‐House Billing | Companies handle their own billing |  |  |  |  |  |  |  |  |  |  |
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| and receiving and do not hire a |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  | company to handle it for them. |  |  |  |  |  |  |  |  |  |  |
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1. From our discovery activity, we determined that some (maybe all) businesses have had to change their pricing and billing strategies due to certain factors. Which three factors we discussed do you think have had the most significance? Why? What future changes do you foresee? Exact answers will vary, but could include: Inflation, Supply and Demand, Competition, The Internet, Online Purchasing, Smartphone Applications, Social Media, and Customer Reviews.

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| **Factor 1** | **Why?** | **Future Changes?** |
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1. You have been given the task of determining the price per unit for two new items on your menu. You are hoping these items will become popular, but they are currently in the introductory phase of the product life cycle. Using the formula from this lesson and the given data, fill in the requested information. Exact answers will vary based on student choices, but you can grade based on whether or not they used the correct calculation method.

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|  |  | **Weekly** | **Weekly** | **Weekly** | **Total Sales** |  |  |
|  | **Cost to Make** | **Operating** | **Projected** | **Target** | **Price Per Unit** |  |
|  | **Revenue** |  |
|  |  | **Expenses** | **Sales** | **Profit** |  |  |
|  |  |  |  |  |
| Chicken Sandwich | $1.22 | $100.00 |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Hamburger | $1.50 | $100.00 |  |  |  |  |  |
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